

# House Study Bill 593

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
REVENUE BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act updating the Code references to the Internal Revenue Code  
2 and including retroactive applicability and effective date  
3 provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 5382DP 81  
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1 1 Section 1. Section 15.335, subsection 4, unnumbered  
1 2 paragraph 2, Code Supplement 2005, is amended to read as  
1 3 follows:  
1 4 For purposes of this section, "Internal Revenue Code" means  
1 5 the Internal Revenue Code in effect on January ~~31~~ 1, ~~2005~~  
1 6 2006.  
1 7 Sec. 2. Section 15A.9, subsection 8, paragraph e,  
1 8 unnumbered paragraph 2, Code Supplement 2005, is amended to  
1 9 read as follows:  
1 10 For purposes of this subsection, "Internal Revenue Code"  
1 11 means the Internal Revenue Code in effect on January ~~31~~ 1,  
1 12 ~~2005~~ 2006.  
1 13 Sec. 3. Section 422.3, subsection 5, Code Supplement 2005,  
1 14 is amended to read as follows:  
1 15 5. "Internal Revenue Code" means the Internal Revenue Code  
1 16 of 1954, prior to the date of its redesignation as the  
1 17 Internal Revenue Code of 1986 by the Tax Reform Act of 1986,  
1 18 or means the Internal Revenue Code of 1986 as amended to and  
1 19 including January ~~31~~ 1, ~~2005~~ 2006.  
1 20 Sec. 4. Section 422.10, subsection 3, unnumbered paragraph  
1 21 2, Code Supplement 2005, is amended to read as follows:  
1 22 For purposes of this section, "Internal Revenue Code" means  
1 23 the Internal Revenue Code in effect on January ~~31~~ 1, ~~2005~~  
1 24 2006.  
1 25 Sec. 5. Section 422.32, subsection 7, Code Supplement  
1 26 2005, is amended to read as follows:  
1 27 7. "Internal Revenue Code" means the Internal Revenue Code  
1 28 of 1954, prior to the date of its redesignation as the  
1 29 Internal Revenue Code of 1986 by the Tax Reform Act of 1986,  
1 30 or means the Internal Revenue Code of 1986 as amended to and  
1 31 including January ~~31~~ 1, ~~2005~~ 2006.  
1 32 Sec. 6. Section 422.33, subsection 5, paragraph d,  
1 33 unnumbered paragraph 2, Code Supplement 2005, is amended to  
1 34 read as follows:  
1 35 For purposes of this subsection, "Internal Revenue Code"  
2 1 means the Internal Revenue Code in effect on January ~~31~~ 1,  
2 2 ~~2005~~ 2006.  
2 3 Sec. 7. Section 504B.5, Code 2005, is amended to read as  
2 4 follows:  
2 5 504B.5 INTERNAL REVENUE CODE UPDATED.  
2 6 All references to sections of the Internal Revenue Code  
2 7 shall mean the Code as ~~amended to and including January 1,~~  
2 8 ~~1971 defined in section 422.3.~~  
2 9 Sec. 8. Section 633.266, Code 2005, is amended to read as  
2 10 follows:  
2 11 633.266 ADJUSTED GROSS ESTATE.  
2 12 Unless otherwise defined, "adjusted gross estate" in a will  
2 13 means the entire value of the gross estate as determined under  
2 14 the federal estate tax less the aggregate amount of the  
2 15 deductions allowed by sections 2053 and 2054 of the Internal  
2 16 Revenue Code as ~~amended to and including January 1, 1982~~  
2 17 ~~defined in section 422.3.~~  
2 18 Sec. 9. RETROACTIVE APPLICABILITY. This Act applies

2 19 retroactively to January 1, 2005, for tax years beginning on  
2 20 or after that date.

2 21 Sec. 10. EFFECTIVE DATE. This Act, being deemed of  
2 22 immediate importance, takes effect upon enactment.

2 23 EXPLANATION

2 24 This bill updates the references to the Internal Revenue  
2 25 Code to make the federal income tax revisions enacted by  
2 26 Congress in 2005 applicable for Iowa income tax purposes.  
2 27 Code sections 422.3 and 422.32, general definitions sections  
2 28 in the income tax chapter of the Code, are amended to update  
2 29 the reference to the Internal Revenue Code.

2 30 Code sections 15.335, 15A.9, 422.10, and 422.33 are amended  
2 31 to update the Code references to the state research activities  
2 32 credit for individuals, corporations, corporations in economic  
2 33 development areas, and corporations in quality jobs enterprise  
2 34 zones to include the 2005 federal changes in the research  
2 35 activities credit.

3 1 Code section 504B.5, relating to nonprofit corporations and  
3 2 federal tax liability, and Code section 633.266, relating to  
3 3 the probate code, are amended to reference the Internal  
3 4 Revenue Code as defined in the definitions section of the  
3 5 income tax chapter of the Code.

3 6 The bill takes effect upon enactment and applies  
3 7 retroactively to January 1, 2005, for tax years beginning on  
3 8 or after that date.

3 9 LSB 5382DP 81

3 10 sc:rj/je/5